

November 23, 1998

**AMENDED ORDER**  
**No. BT-0612-97-04**

Barry D. Babbitt  
President and Chief Executive Officer  
Smith Barney Private Trust Bank of Michigan  
35055 West Twelve Mile Road, Suite 103  
Farmington Hills, Michigan 48334

Dear Mr. Babbitt:

The Financial Institutions Bureau (Bureau) has amended the Orders approving the establishment and operation of Merrill Lynch Trust Bank of Michigan and Greenleaf Trust. Accordingly, the Bureau is similarly amending the Order approving the application to establish and operate Smith Barney Private Trust Bank of Michigan.

The Conditions of the Order are presented in the following sequence: the original language, the amended language presented in italics, and the explanation for the change:

4. The bank shall maintain minimum equity capital, on a quarterly basis, of not less than \$2,000,000, additional equity capital in an amount equivalent to one-fourth of one percent (0.25%) of total trust assets under management, and any additional capital deemed necessary based upon the Bureau's overall risk profile of the bank;

*The bank shall **maintain** minimum equity capital of not less than \$2,000,000, additional equity capital in an amount equivalent to one-fourth of one percent (0.25%) of discretionary trust assets as that term is defined on the annual Report of Trust Assets, and any additional capital deemed necessary by the Bureau based upon the overall risk profile of the bank. Compliance with the additional capital clause shall be determined based upon December 31<sup>st</sup> data as reported on the bank's Annual Report of Trust Assets;*

Condition 4 is modified to clarify the additional capital requirement by applying it to discretionary trust assets as defined on the Annual Report of Trust Assets and establishing the date of the calculation. This action was taken to make it consistent with Bureau practice and policy.

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- 6 The bank shall not utilize the services of any affiliate of its parent Travelers Group Inc. without adequate disclosure **and written customer approval**, nor purchase for its fiduciary trust accounts shares of affiliate Smith Barney mutual funds **unless specifically authorized** by the trust instrument, agreement, or court order.

*The bank shall not utilize the services of any affiliate of its parent Travelers Group Inc., **unless specifically authorized** by the trust instrument, agreement, or court order. Notwithstanding the limitations contained in this condition, the bank may invest funds consistent with the provision of section 185 of Michigan's banking code of 1969, as amended;*

Condition 6 is clarified to allow for investment in proprietary mutual funds.

15. The bank shall file, at least annually, a comparative cost analysis or market study report which demonstrates that the bank has clearly satisfied its fiduciary obligation to provide best execution of securities trades for its trust accounts;

*The bank shall maintain files that demonstrate that the bank has clearly satisfied its fiduciary obligation to provide best execution of securities trades for its trust accounts;*

Condition 15 no longer requires a cost analysis or market study.

16. The bank shall comply with the Community Reinvestment Act of 1977, as amended, 12 USC 2901 (Title 12 U.S. Code, Section 2901], and shall file at least annually, an action report which details the bank's investment, activities, and/or other means by which it is complying with the statute;

*Condition is eliminated*

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The Community Reinvestment Act was amended to eliminate its application to limited purpose banks consistent with national charters.

DEPARTMENT OF CONSUMER AND  
INDUSTRY SERVICES

FINANCIAL INSTITUTIONS BUREAU

Patrick M. McQueen  
Commissioner